

ENTERED

May 21, 2025

Nathan Ochsner, Clerk

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA,	§ CIVIL ACTION NO 4:24-cv-00646
Plaintiff,	§ § §
vs.	§ JUDGE CHARLES ESKRIDGE § §
ROYCE E. MITCHELL, <i>et al,</i>	§ §
Defendants.	§

**ORDER ADOPTING
MEMORANDUM AND RECOMMENDATION**

Plaintiff United States of America filed this action pursuant to 26 USC §§7401–03, seeking a judgment against Defendants Royce E. and Susan A. Mitchell for certain assessed, but unpaid, taxes. Dkt 1 at 1, ¶¶8–26. The United States also sought a determination that Defendant A.I.M. Controls, LLC, is an alter ego of the Mitchells and, as such, liable for their outstanding tax liabilities. Id at ¶¶27–56.

Defendant Steve Croes is a trustee of the two trusts that are members of A.I.M. Controls. Id at ¶6. Croes and A.I.M Controls both filed counterclaims. Dkts 16 & 51. Steve Croes and the Mitchells proceed here *pro se*. A.I.M. Controls is represented by counsel.

Pending are two renewed motions by the United States to dismiss the counterclaims brought by A.I.M Controls and Croes. Dkts 65 & 66. Also pending are motions by Royce and Susan Mitchell to dismiss the claims of the United States. Dkts 62 & 74.

The matter was referred to Magistrate Judge Peter Bray. Dkt 76. Also pending is his Memorandum and Recommendation dated April 8, 2025. Dkt 87. He recommends that the motions by the United States be granted. Id at 5–8. And he recommends that the motion by the Mitchells be denied. Id at 5–11. Procedurally, Judge Bray also granted a motion by the United States to strike an amended answer and counterclaims by Croes. Id at 3–5; see Dkt 70.

The Mitchells filed an objection to the Memorandum and Recommendation. Dkt 90. The United States responded. Dkt 92. The Mitchells filed an untimely reply. Dkt 93.

The district court reviews *de novo* those conclusions of a magistrate judge to which a party has specifically objected. See FRCP 72(b)(3) & 28 USC §636(b)(1)(C); see also *United States v Wilson*, 864 F2d 1219, 1221 (5th Cir 1989, *per curiam*). The district court may accept any other portions to which there's no objection if satisfied that no clear error appears on the face of the record. See *Guillory v PPG Industries Inc*, 434 F3d 303, 308 (5th Cir 2005), citing *Douglass v United Services Automobile Association*, 79 F3d 1415, 1430 (5th Cir 1996, *en banc*); see also FRCP 72(b) advisory committee note (1983).

Upon *de novo* review and determination, the claims of the Mitchells are found to lack merit. The Memorandum and Recommendation clearly details the pertinent facts and correctly applies controlling law. Contrary to the objections by the Mitchells, Judge Bray doesn't ignore past precedent or any legally relevant evidence.

The objections by Defendants Royce E. and Susan A. Mitchell to the Memorandum and Recommendation of the Magistrate Judge are OVERRULED. Dkt 90.

The Memorandum and Recommendation of the Magistrate Judge is ADOPTED as the Memorandum and Order of this Court. Dkt 87.

The renewed motions to dismiss by Plaintiff the United States of America are GRANTED. Dkts 65 & 66. The

counterclaims brought by A.I.M Controls, LLC, and Steve Croes are DISMISSED WITH PREJUDICE.

The motions to dismiss by Defendant Royce E. and Susan A. Mitchell are DENIED. Dkts 62 & 74.

The motion by the United States to strike the amended answer and counterclaims by Defendant Steve Croes is GRANTED. Dkt 70.

Also adopted here is the WARNING by the Magistrate Judge that ADMONISHES the Mitchells to refrain from making any further frivolous arguments to the Court.

SO ORDERED.

Signed on May 19. 2025, at Houston, Texas.



Hon. Charles Eskridge
United States District Judge